

Outokumpu Stainless Holdings Ltd – UK Tax Strategy for Year Ending 31 December 2017

Approved by the Board of Directors 30 November 2017

This tax strategy document applies to all our UK subsidiaries and ensures compliance under paragraph 16(2) of the Finance Act 2016 to publish its Group tax strategy in the current financial year.

<p>Governance The CFO and Group Tax have responsibility for tax strategy and management of tax risk for all operating entities including the UK. Tax Risk Management policy is approved by the CFO. The Company is a large multi-national organisation with operations in many countries and is exposed to a variety of tax risks as follows;</p> <p>Compliance & reporting risk, which cover compliance failures such as submission of late or incomplete returns, failure to submit claims and elections on time or where systems and processes are not sufficiently robust to support tax compliance and reporting requirements.</p> <p>Transaction risks, arising due to undertaking transactions without appropriate consideration of the potential tax consequences or where advice taken is not correctly implemented.</p> <p>Reputational risks, are non-financial risks that may have an impact on the Company's relationships with its shareholders, customers, tax authorities and the wider community.</p> <p>The Company manages its tax risk in a similar way to other areas of operational risk across the Group activities by having support functions such as Group Taxation, Group risk management and Group Internal Audit.</p>	<p>Where appropriate, the Company engages with tax authorities to disclose and resolve issues, risks and uncertain tax positions as they arise. The subjective nature of global tax legislation means that it is not always possible to mitigate all potential tax risks, therefore the Group may be exposed to both financial and reputational risks arising from its tax affairs.</p> <p>Tax Planning The Company recognises it has a responsibility to pay tax in accordance with the rules and regulations of each of the countries in which it operates. The Company aims to balance this with its responsibility to its shareholders to structure its affair in an efficient manner. The Company does not engage in aggressive tax planning arrangements.</p> <p>Level of risk acceptable to Group for UK The Group's risk appetite is such that where tax law is unclear, its position is at least more likely than not to be allowable under applicable tax laws.</p> <p>Approach to dealing with HMRC We are committed to working with HMRC in a cooperative and transparent manner. The Group will participate in any HMRC formal consultation process where it is expected that the matter under consultation will have a material impact on the Groups tax liability or compliance management.</p>
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